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**CIA HISTORICAL REVIEW PROGRAM
RELEASE IN FULL 1995**

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Report to the President by the Special Committee
on Stockpile Objectives

1. This memorandum summarizes the important issues of the report to the President on stockpile objectives to be discussed at the NSC meeting on 31 October 1968.

2. US policy for stockpiling strategic and critical raw materials has been under study since December 1964. The subject report, which is an update of an initial draft dated November 1965 (Exhibit A), is an assessment of the planning assumptions used in determining the stockpile objectives for conventional and nuclear war. The report also sets forth the reasons for the excessive inventories of certain stockpiled materials being maintained since 1953.

3. The Committee recommends that the [] period assumed for the duration of a wartime emergency, which was set by the NSC in 1958 (Exhibit B), be retained. The report concludes that raw material stockpile requirements for a nuclear war are lower than for a conventional war. Other supply requirements for nuclear war are being studied and will be available in 1969 to revise current objectives.

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4. The major policy change recommended by the Committee concerns the accessibility of foreign sources of supply in a conventional warfare environment. Present stockpile goals are based on the assumption that foreign supply would be restricted []

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The Joint Chiefs of Staff have provided the Director of OMP with a list of sources that probably would be inaccessible during conventional and nuclear war; the Department of Defense has made

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estimates of probably shipping losses during wartime; and the Department of State has supplied discount factors for accessible countries based on economic and political considerations. The Free World countries considered to be accessible or inaccessible, and the military, political, and economic criteria used in their selection are not specified in the Committee's report. (Exhibit D is a memorandum for the record stating that DOD and State Department have reviewed the list of inaccessible countries and concur in its use for planning purposes.)

5. The recommendations of the Committee will be used by the Office of Emergency Planning as the base for preparing, as soon as possible, the next list of stockpile objectives. Stockpile objectives for many commodities presumably will be lower if the recommendations for broadening the sources of foreign supply are accepted. As the Agency was not consulted on the question of accessibility of foreign supply and none of the related documents have been made available, we are not able to evaluate the proposed changes.

R. J. SMITH
Deputy Director for Intelligence

Attachment:
Subject Report

Distribution: (S-2860)

Orig. - DCI (w/att)

1 - DDCI

① - ER

1 - DDI

2 - OD/OER (1 withheld)

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OD/OER: (30 Oct 68)